

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

THE STATE OF IOWA, ex rel.  
THOMAS J. MILLER, ATTORNEY GENERAL  
99AG25112

Plaintiff,

v.

U.S. FIDELIS, INC., fka National  
Auto Warranty Services, Inc., dba  
Dealer Services,

and

DARAIN E. ATKINSON,  
Individually and in his corporate capacity,

and

CORY C. ATKINSON  
Individually and in his corporate capacity,

Defendants.

Equity No. CE 65252

**CONSENT JUDGMENT AS  
TO DEFENDANT  
DARAIN E. ATKINSON**

FILED  
POLK COUNTY, IA  
10 NOV -8 PM 1:19  
CLERK DISTRICT COURT

**PREAMBLE**

This Consent Judgment and Permanent Injunction (hereinafter referred to as "Judgment") is entered into between the Attorneys General of the States and Commonwealths of Arkansas, Idaho, Iowa, Kansas, North Carolina, Ohio, Pennsylvania, Texas, Washington and Wisconsin (referred to collectively as "Participating States"), acting on behalf of their respective states, and pursuant to their respective consumer protection statutes, and Defendant Darain Atkinson (hereinafter collectively referred to as "Parties").

## **I. GENERAL PROVISIONS**

This Court, recognizing that the Plaintiff, by Special Assistant Attorney General William L. Brauch and Assistant Attorney General Jessica Whitney, and Defendant have consented to the entry of this Judgment, finds as follows:

1. The Court has jurisdiction over the parties and the subject matter of this litigation.
2. Venue is proper because the alleged violations of Iowa Code § 714.16 occurred here in Polk County, Iowa.
3. Plaintiff, Attorney General, Thomas J. Miller, has authority under Iowa Code § 714.16 to bring consumer protection actions on behalf of the State of Iowa.
4. Defendant Darain Atkinson is the former President, Treasurer, Director and 50 percent shareholder of Defendant U.S. Fidelis, formerly known as National Auto Warranty Services and Dealer Services.
5. This Judgment shall be governed by the laws of the state of Iowa.
6. This Judgment is entered into by Defendant as a free and voluntary act and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Judgment.
7. This Judgment is entered into by Plaintiff based upon the financial statement provided by Defendant to the United States Bankruptcy Court Eastern District of Missouri, St. Louis Division, in the bankruptcy case of *In re: U.S. Fidelis, Inc.*, Cse No. 10-41902.. This Judgment is expressly premised upon the truthfulness, accuracy and completeness of Defendant's financial condition as represented in the financial statement that contained material information relied upon by the Participating States in negotiating and agreeing to the terms of

this Judgment. The failure to provide truthful and accurate financial statements constitutes a violation of this agreement affording Plaintiff all remedies provided by law.

8. Nothing in this Judgment constitutes any admission of guilt or liability by the Defendant. The Parties acknowledge that this agreed Judgment is in their mutual best interests and is preferable to expensive litigation concerning Plaintiff's allegations in this state, as well as other states, and Defendant's defenses to those allegations.

9. Defendant is not admitting that each of the acts alleged, if proved in a court of law, would necessarily constitute a violation of any federal, state or local law; but Defendant acknowledges that this Judgment constitutes legal notice and knowledge that it is the States' position that the alleged acts constitute a state or federal law violation.

10. Nothing in this Judgment constitutes any agreement by the Parties concerning the characterization of the amounts paid pursuant to this Judgment for purposes of the Internal Revenue Code or any state tax laws.

11. Except as set forth in Section X, this Judgment shall not bar the Attorney General or any local, state, federal, or other governmental entity from enforcing other laws or rules within their jurisdiction against the Defendant as to any of Defendant's business practices, including those alleged in the Petition. Nothing in this Judgment shall affect the admissibility of this Judgment in any proceeding. Moreover, nothing in this Judgment shall be deemed to waive any rights of Defendant to argue the inadmissibility of this Judgment in any proceeding other than an action by the Attorney General to enforce this Judgment

12. Nothing contained herein shall be construed to waive any individual right of action by a consumer.

13. Defendant shall not represent or imply that the Attorney General approves of Defendant's past business practices, current efforts to reform its practices, or any further practices that Defendant may adopt or consider adopting. Likewise, as to the advertisements that Defendant provided to the Attorney General during the investigation, Defendant shall not represent or imply that the Attorney General approves of or endorses Defendant's advertisements or business practices.

## **II. DEFINITIONS**

1. For purposes of this Judgment, and except where specifically noted otherwise, "Defendant" shall mean Darain Atkinson, whether operating under his own name or any other business names, including all other persons acting in concert or participation with him, directly or indirectly, or acting on behalf of Defendant or at his direction, through any corporate device, partnership or association, jointly and severally, including all persons and entities that receive notice of this Judgment.

2. For purposes of this Judgment, an "affiliate" shall mean a business entity that is owned by, operated by, controlled by, or under common control with another business entity.

3. For purposes of this Judgment, "service contract" or "motor vehicle service contract" shall mean a contract or agreement (a) that contains a separately stated consideration for a specific duration to perform the repair, replacement or maintenance of a motor vehicle and includes vehicle protection products; or (b) that provides indemnification for repair, replacement or maintenance of a motor vehicle due to an operational or structural defect in materials, workmanship or normal wear and tear; and (c) may or may not include additional provision for incidental payment of indemnity under limited circumstances, including but not limited to, towing, rental and emergency road service.

4. For purposes of this Judgment, a statement or communication is “clear and conspicuous” if it is readily understandable and presented in such size, color, contrast, location and audibility, compared to the other matter with which it is presented, as to be readily understood. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in close proximity to the information it modifies and in a manner so as to be readily noticed and understood.

5. For purposes of this Judgment, an “Authorized Telemarketer” shall mean a business or other entity that conducts telemarketing or generates leads on Defendant’s behalf in connection with the offer or sale of products or services.

6. For purposes of this Judgment, “telemarketing” or “telephone solicitation” shall mean any telephone call or message for the purpose of encouraging or inducing the purchase of goods or services or means any definition provided in any federal, state, or local law defining that term. However, nothing herein shall be construed to affect, restrict, limit, waive, or alter the definition of “telemarketing” or “telephone solicitation” under the laws and statutes of the states, and nothing herein shall be construed to limit the authority of the Attorneys General to enforce federal or state laws and statutes, including those regarding “telemarketing” and “telephone solicitations.”

7. For purposes of this Judgment, “spoofing” shall mean using any means to block, disguise or falsify the identity of the originator that (a) fails to comply with state and federal laws, or (b) fails to transmit or display the originator’s telephone or the telephone number of the company selling a product or service that a consumer can call during regular business hours to be placed on a do-not-call list.

8. For purposes of this Judgment, and in the context of accepting payment from consumers for Defendant's goods and services, "process" shall refer to the submission of a consumer's credit card information to Defendant's credit card processor for approval of the charges incurred by the consumer; the "process" is completed upon the receipt by Defendant of an authorization number for the transaction.

9. For purposes of this Judgment, a "Risk Retention Group" (RRG) shall mean an entity, formed under the Federal Liability Risk Retention Act of 1986, which insures payment of monies owed for claims due on a service contract.

10. "Written solicitation" or "written communication" shall include, but is not limited to, solicitations and communications on paper, on the internet, or electronically (i.e. e-mail, instant messaging, etc.).

11. For purposes of this Judgment, the "Effective Date" shall mean the date by which all Parties have executed the Judgment.

### **III. REPRESENTATIONS AND WARRANTIES**

1. Defendant warrants and represents that he and his predecessors, successors and assigns were engaged in the business of marketing, selling and promoting the sales of motor vehicle service contracts to consumers. Defendant further acknowledges that he is the proper party to this Judgment. Defendant warrants and represents that the individual(s) signing this Judgment is fully authorized to enter into this Judgment and to legally bind Defendant to all of the terms, conditions and injunctions of this Judgment.

2. Defendant and the Participating States warrant and represent that they negotiated the terms of this Judgment in good faith.

#### IV. ALLEGED VIOLATIONS

The State alleges that Defendant violated Iowa Code § 714.16 by selling and marketing motor vehicle service contracts in a false, deceptive and misleading manner, including but not limited to the following:

1. Representing that a consumer's motor vehicle warranty expired, is expiring, or is about to expire when such statement is not true or cannot be substantiated;
2. Representing or implying that a consumer's vehicle may be unsafe or subject to recall, when such is not the case or is not known;
3. Misrepresenting the nature of the motor vehicle service contract as a "warranty," "factory warranty," or "extended warranty," when in fact the product being sold is not a "warranty," "factory warranty," or "extended warranty";
4. Representing that Defendant has a preexisting relationship with a consumer when such a relationship does not exist;
5. Representing or implying to a consumer that a solicitation is a final or limited time offer when such is not or was not the case.
6. Representing or implying to a consumer that a solicitation is a final offer when the offer was never previously made to the same consumer;
7. Creating a false sense of urgency that an offer will expire when no actual expiration date for the offer exists;
8. Representing to a consumer that the offer is "exclusive" when such is not the case;
9. Creating confusion in consumers as to the source, sponsorship, approval, or certification of the service contracts offered by Defendant, including misrepresenting or causing

confusion that U.S. Fidelis is the company with which consumers had their original motor vehicle warranty;

10. Representing or implying an affiliation, connection or association with, or certification by a third party, such as a manufacturer, government agency or other entity, when in fact there was no such relationship with the third party;

11. Misrepresenting or implying that the service contracts Defendant sells or offers has uses, benefits, standards, grades, or qualities that they do not have;

12. Failing to disclose all material terms of a service contract offer in solicitations and marketing contacts with consumers;

13. Refusing to allow a consumer an opportunity to review the complete written service contract agreement upon request;

14. Misleading consumers as to the nature of U.S. Fidelis' relationship with the service contract provider;

15. Engaging in violations of state and federal do-not-call laws by failing to scrub telephone numbers, making calls to consumers on state and federal do-not-call lists, making calls to cell phones, failing to transmit caller identification information, spoofing, failing to register as a telemarketer and/or failing or refusing to place consumers on internal do-not call lists upon the consumer's request;

16. Engaging in violations of state and federal laws in the use of automatic dialing and announcing devices (ADAD) and federal do-not-call laws and the Telephone Consumer Protection Act of 1991 (TCPA), 47 U.S.C. §227 et seq. and 47 C.F.R. 64.1200, and as it is amended hereafter; the Telemarketing and Consumer Fraud and Abuse Prevention Act (TCFAPA), 15 U.S.C. §1601 et seq.; and the Telephone Sales Rule (TSR), 16 C.F.R. Part 310,



and as it is amended hereafter, including, but not limited to, placing calls into Iowa in which such calls are prohibited for commercial purposes, calling cell phones, emergency lines and hospitals, spoofing, using such devices in violation of state and federal do-not-call laws, and/or using such devices in a manner that the consumer is unable to place his or her phone number on an internal do-not-call list;

17. Providing false or misleading caller identification information, including preventing the display of caller identification, using methods that bypass, circumvent, or disable caller identification, or using methods that mislead the caller as to the identification of the caller or the caller's phone number;

18. Selling or offering for sale service contracts in violation of state licensing or registration laws, including the licensing or registration of U.S. Fidelis as a marketer, as licensed or registered sales staff, and the licensing or registration of the motor vehicle service contracts sold by Defendant;

19. Engaging in a pattern or practice of failing to provide prompt refunds to consumers, issuing refunds that were less than the amount required by contract or state law or denying valid refund requests;

20. Obtaining, directly or indirectly, consumers' personal information as that term is defined in the Drivers' Privacy Protection Act (DPPA), 18 U.S.C. § 2721 et seq., from a state department of motor vehicle without the express consent of the person to whom such personal information pertains, in violation of the DPPA; and

21. Obtaining, directly or indirectly, consumers' credit information without using that information for a permissible purpose within the meaning of the Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681, et seq.

Defendant denies each and every one of the foregoing allegations of wrongdoing in paragraphs One through Twenty-One, above.

#### V. INJUNCTIVE PROVISIONS

##### IT IS ORDERED, ADJUDGED AND DECREED THAT:

Pursuant to Iowa Code § 714.16 (7), Defendant, under his own name or any other business names, including any officers, directors, agents, representatives, salespersons, employees, independent contractors, affiliates, successors and assigns, and all other persons acting in concert or participation with them, directly or indirectly, or acting on behalf of Defendant or at his direction, and who have actual or constructive notice of this Judgment, are hereby permanently **RESTRAINED** and **ENJOINED** from engaging in any conduct that does not comply with Section VI of this Judgment.

#### VI. COMPLIANCE

Pursuant to Iowa Code § 714.16 (7), Defendant, under his own name or any other business names, any officers, directors, agents, representatives, salespersons, employees, independent contractors, affiliates, successors and assigns, and all other persons acting in concert or participation with Defendant, directly or indirectly, or acting on behalf of Defendant or at his direction, and who have actual or constructive notice of this Judgment, agree to comply with the following provisions:

1. Efforts to Comply with this Consent Judgment. Defendant shall not sell, offer to sell or provide to anyone any materials that would enable any other person or business to engage in any act or practice that would violate this Judgment were it committed directly by Defendant. Defendant shall not direct, train, instruct, or induce any person to perform any act prohibited by, or refrain from performing any act required by, this Judgment.

2. Telemarketing Prohibition. Defendant shall not engage in any telemarketing sales or telephone solicitations as that term is defined by the federal Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. Sec. 6101 *et. seq.*, the Telemarketing Sales Rule, 16 CFR Part 310, other state or local laws. This Paragraph, which never expires, prohibits Defendant from engaging in telephone solicitations to Iowa consumers and prohibits Defendant from registering with the Attorney General to conduct telephone solicitations in Iowa. This Paragraph also applies to any business that Defendant owns, operates, or manages now and in the future.

3. Motor Vehicle Service Contract Prohibition. Defendant shall not engage in the marketing or administration of motor vehicle service contracts, or any other aspect related to or associated with the sales of motor vehicle service contracts, other than those sold in connection with the sale of a motor vehicle by a motor vehicle dealership at which he is employed.

4. Compliance with Applicable Laws. Defendant shall comply with Iowa Code § 714.16, particularly in connection with the promotion, offer for sale, or sale of goods or services.

5. Representations of Fact. Defendant shall not make false or misleading representations of fact, particularly concerning any terms of an offer or the terms of any good or service offered for sale.

6. Other Business Names. Defendant shall not use a misleading assumed business name, logo, or other mark that is misleading as to the nature of the services Defendant provides, the products Defendant sells, or Defendant's affiliations with others.

7. General Marketing and Sales Practices. In the marketing and sale of goods and services, Defendant shall:

- a. Not mislead consumers regarding Defendant's affiliation, connection or association with, or certification by a third party.
- b. Not mislead consumers regarding the source, sponsorship, approval, or certification of goods or services that Defendant sells or offers for sale.
- c. Not mislead consumers that Defendant offers for sale or sells goods or services on behalf of third party providers and, in addition, not mislead consumers that the third party, and not the Defendant, is responsible for administering the contract.
- d. Not mislead consumers as to the nature of Defendant's relationship with the provider of a good or service.
- e. Not represent or imply that the Defendant has a preexisting relationship with a consumer that does not in fact exist.
- f. Not make a representation directly or by implication in any advertisement that is false or misleading.
- g. Substantiate in writing within twenty-one days of receiving a written request for substantiation from a consumer or the Attorney General, any representation made directly or by implication in any advertisement.
- h. Not make a representation directly or implicitly in any advertisement targeted to a specific consumer that is false or misleading
- i. Not mislead consumers regarding what information Defendant has in his possession.
- j. Not represent or imply that a solicitation constitutes a limited time offer unless such is the case. Defendant shall not create a false sense of urgency

or represent or imply that any offer is limited and/or will expire within a set period of time unless Defendant (by using the word "final" or any words of similar import) will in fact refuse to honor the terms of the offer after the specific period of time has expired and Defendant can substantiate this statement in writing within twenty-one days of receiving a written request for substantiation from a consumer or the Attorney General.

- k. Not represent or imply that a solicitation constitutes a "final" offer unless such is the case and can be substantiated in writing within twenty-one days of receiving a written request for substantiation from a consumer or the Attorney General.
- l. Not represent or imply that an offer is "exclusive" unless such is the case and can be substantiated in writing within twenty-one days of receiving a written request for substantiation from a consumer or the Attorney General.
- m. Not represent or imply that the goods or services Defendant sells or offers for sale have sponsorship, approval, characteristics, uses, benefits, or qualities that they do not in fact have.
- n. Not represent or imply that the goods or services Defendant sells or offers for sale are of a different standard, quality, or grade than they actually are.
- o. Not represent or imply that the purchase or ownership of goods or services can increase or enhance its value unless Defendant has documented

substantiation of such claim and provides that substantiation to the Attorney General within twenty-one days of receipt of a request for such.

- p. Not disproportionately target older consumers in any marketing efforts. For the purposes of this Judgment, “older” consumers shall mean consumers age sixty-five years or older. However, Defendant is advised that Iowa Code § 714.16A enhances the amount of civil penalties recoverable from an entity or individual when the deceptive or illegal marketing practices target consumers 65 or older. Defendant, Defendant’s employees or third-party marketing agents and contractors shall not utilize calling or mailing lists that have been compiled to disproportionately target older consumers using any criteria that indirectly suggest a reasonable likelihood that such consumers are age sixty-five or older, including, but not limited to: addresses or phone numbers being associated with a retirement community; consumers’ status as retirees; or whether such consumers are drawing a pension or drawing Social Security.
- q. Not sell or provide personal information obtained from a consumer during a sale to unaffiliated companies for marketing purposes without the consumer’s knowledge and express authorization; and
- r. Post the privacy policy in a clear and conspicuous manner on any website sponsored by Defendant.

8. Disclosure of Coverage, Exclusions, Conditions and Costs. In order to ensure that the consumer has all material information necessary to make an informed purchasing

decision, before the Defendant processes any payment by a consumer for any goods or services offered, Defendant shall disclose certain information to the consumers.<sup>1</sup> Defendant shall clearly and conspicuously:

- a. Summarize all material provisions of any goods or services offered ,
- b. Disclose primary exclusions and/or conditions related to any goods or services that Defendant sells or markets.

Nothing in this provision restricts Defendant from providing additional details regarding the terms and conditions of the goods or services, nor does it relieve Defendant from his obligation to accurately answer all questions raised by a consumer.

9. Clear and Understandable Contract Terms. In order to ensure that the consumer has the opportunity to read and understand all material terms and conditions of a contract for goods or services, Defendant shall only market contracts that are written in clear, understandable language, and are printed or typed in easy-to-read font and format.

10. Mailing Lists. With regard to the marketing and sale of goods and services by written solicitation, Defendant shall, in written solicitations, clearly and conspicuously offer consumers the option of being removed from a mailing list obtained or created by Defendant via a toll-free telephone number and/or by a mail delivery service. If a consumer asks to be removed from a mailing list, Defendant, Defendant's agents, assigns, or any other entity soliciting business for Defendant or providing transfer leads to Defendant, shall not make a written solicitation to said consumer or any persons residing with said consumer at that mailing address for a period of five years.

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<sup>1</sup> When Defendant is required to mail the consumer a copy of the written contract, the date the contract was mailed (as evidenced by the date on the letter or the postmark noted on the envelope, whichever is later) will trigger the consumer's response time to cancel the contract or as provided by state law.

11. Written and Television Solicitations. In the marketing and sale of goods and services by written or television solicitations, Defendant shall:

- a. Clearly and conspicuously disclose in all written and television solicitations with or directed to consumers the company's identity, including its business name (or assumed business name) and contact information, including the company's telephone number and address; and
- b. When making a specific offer, clearly and conspicuously disclose, in close proximity to any terms or conditions to which they relate, all material limitations, conditions and restrictions relating to any offer.

12. Cancellation or Refund Policies.

- a. Prior to giving consumers the full written terms of the goods and services to be purchased, Defendant shall provide clear and conspicuous instructions that explain the procedures consumers must follow to properly cancel a purchase.
- b. Defendant shall issue refunds to consumers in compliance with a reasonable refund policy that is in writing and provided to the customer.
- c. If Defendant is an employer, Defendant shall employ adequate staff to promptly respond to customer service inquiries, telephone calls and refund requests.
- d. Defendant shall adhere to any written cancellation procedures.
- e. Defendant shall not make cancellation procedures burdensome or confusing.



13. Licensing and Registration Requirements.

- a. Defendant shall comply with all applicable licensing and registration requirements in the State of Iowa.
- b. Defendant shall not operate in a state in which Defendant is not properly licensed or registered.
- c. Defendant shall not sell or offer to sell goods or services on behalf of another entity that is not properly licensed, registered or insured.
- d. Defendant is not prohibited from asserting any defense Defendant believes is applicable under state licensing and registration laws.

14. Consumer Credit Reports & Offers of Credit. In the marketing and sale of goods and services, Defendant shall:

- a. Comply with the FCRA;
- b. Upon the request of a consumer, inform the consumer of the manner in which the consumer's information was obtained, for what purposes it was obtained and what information was obtained;
- c. When making an offer of credit or insurance, inform a consumer:
  - i. Of the consumer's right to opt-out of pre-screened solicitations of credit or insurance in the exact format, type size, and manner prescribed by the FCRA, 16 C.F.R. § 642 et seq. and § 698 et seq.;
  - ii. That Defendant used information contained in the consumer's consumer report, if such is the case; and
  - iii. That the consumer received the offer because the consumer satisfied the criteria for credit worthiness or insurability, but that

credit or insurance may not be extended if the consumer does not continue to meet the criteria or does not pay any collateral that was clearly and conspicuously disclosed in the solicitation as being required.

- d. For a period of five years from the date an offer of credit or insurance was made, secure and maintain records of the criteria used to select which consumers to target, including all criteria Defendant used to determine credit worthiness or insurability and any requirement for paying collateral (unless such records were already unavailable as of January 1, 2009).
- e. Not use a consumer report, or any information contained therein, except for the permissible purpose for which it was originally obtained by Defendant.

15. Consumer's Right to Privacy. In the marketing and sale of goods and services, Defendant shall:

- a. Comply with the federal DPPA or similar state disclosure laws.
- b. Not obtain consumers' contact information, including phone number and address, and other personal information in violation of federal or state laws, including, but not limited to, the FCRA.

16. Compliance Not Admission. While Defendant agrees to comply with all state and federal laws, the Defendant's agreement to perform as detailed in Section VI is not itself an admission that said performance of each injunctive provision is necessary or required to comply with any state or federal law, other than those which require Defendant to comply with this Judgment.

## **VII. NOTICE**

The mailing of a copy of this signed and filed Judgment to Defendant or to Defendant's attorney shall constitute notice and acceptance by Defendant of all the terms of this Judgment. Defendant waives his right to have a copy of this Judgment served upon him. Furthermore, Defendant waives any requirement that this Judgment include findings of fact and conclusions of law.

## **VIII. RECORDKEEPING**

1. Copies of Advertising. In any future business that Defendant owns or operates, Defendant shall, for a period of five years following the registration of his business pursuant to the state law in which it operates provide a copy of any promotional materials (including advertising transcripts) and telephone scripts to the Attorney General within fourteen days of receiving a request from the Attorney General. Defendant shall not represent or imply that failure of an Attorney General to take any action thereon constitutes acquiescence, approval or endorsement of any promotional material, telephone script or business practice by the Attorney General.

2. Maintenance of Advertising. In any future business Defendant owns or operates and effective immediately upon execution of this Judgment, Defendant agrees to maintain records of all promotional materials for a period of at least five years after Defendant publishes, broadcasts or otherwise disseminates the advertisement, including advertisements that Defendant causes to be published, broadcast or otherwise disseminated or which are published, broadcast or otherwise disseminated by anyone pursuant to a contract. Advertisements shall include, but are not limited to, postcards, mailers, emails, text messages, Internet sites or other information disseminated for the purposes of promoting or marketing a service or product. Defendant shall

maintain records in such a manner that the advertisement, the dates of dissemination, the method of dissemination and any records sufficient to substantiate the representations or claims made in the advertisement are easily obtainable.

3. Maintenance of Scripts. In any future businesses the Defendant owns or operates and effective immediately upon execution of this Judgment, Defendant agrees to maintain for a period of at least five years a copy of all scripts used by Defendant, or by anyone on behalf of or at the direction or request of Defendant, including, but not limited to, customer service scripts, sales scripts, or language contained in any instructions to employees, agents, volunteers, interns or independent contractors, or rebuttal language used based on consumer responses.

#### **IX. PENALTIES / PAYMENT TO THE STATE**

1. Civil Fine or Penalty. Pursuant to Iowa Code § 714.16 (7), the Iowa Attorney General is hereby awarded a civil fine or penalty against the Defendant in the amount of Two Million, Six Hundred Eighty Thousand Dollars (\$2,680,000.00). Said Civil Fine or Penalty is to or for a governmental unit and is not for pecuniary loss. Subject to Defendant's full compliance with this Judgment and the Settlement Agreement that Defendant has entered into with the Bankruptcy Estate of U.S. Fidelis, Inc., the Iowa Attorney General agrees to look only to the assets paid over to the Bankruptcy Estate of U.S. Fidelis, Inc. to recover its civil fines and penalties.

2. Fees and Costs. Pursuant to Iowa Code § 714.16(11), the Iowa Attorney General is further awarded the sum of \$20,000.00 as attorneys' fees, court costs, investigative costs. Subject to Defendant's full compliance with this Judgment and the Settlement Agreement that Defendant has entered into with the Bankruptcy Estate of U.S. Fidelis, Inc., the Iowa Attorney

General agrees to look only to the assets paid over to the Bankruptcy Estate of U.S. Fidelis, Inc. to recover its attorneys' fees, court costs and investigative costs.

3. Civil Penalties for Failure to Comply. Pursuant to Iowa Code § 714.16 (7), the Court may impose a civil penalty of not more than \$5,000.00 for each violation of this Judgment in addition to any other remedy allowed by law.

4. Costs. Defendant shall pay all court costs associated with this matter.

#### **X. RELEASE OF CLAIMS**

1. In lieu of further litigation by Plaintiff, and in consideration of Plaintiff's forbearance, Defendant shall fully perform his duties as required under this Judgment and in the bankruptcy case of *In re: U.S. Fidelis, Inc.*, Case No. 10-41902, now pending in the Eastern District of Missouri, St. Louis Division, including but not limited to the surrender of assets set forth in the Settlement Agreement between Defendant and the U.S. Fidelis, Inc. Bankruptcy Estate, a copy of which is attached hereto and made part hereof as Exhibit 1 together with a motion and final order approving same filed pursuant to Bankruptcy Rule 9019. This Judgment is expressly premised upon Defendant's surrender of all of his assets to the U.S. Fidelis, Inc. Bankruptcy Estate as provided in Exhibit 1. The Plaintiff's release of its restitution claims is subject to and conditioned on the Defendant not recovering or seeking to recover any or all of his assets from the Bankruptcy Estate, as indicated in Exhibit 1.

2. By execution of this Judgment, the Attorney General releases the Defendant from all civil claims, causes of action, damages, fines, costs or penalties that were asserted by the Attorney General at any time up to and including the effective date of this Judgment for alleged violations of its consumer protection laws or regulations arising from the allegations that are the

subject matter of this Judgment. Notwithstanding the foregoing, the Attorney General may institute an action or proceeding to enforce the terms and provisions of this Judgment.

#### **XI. JURISDICTION RESERVED**

The Court reserves jurisdiction over this action for the following purposes:

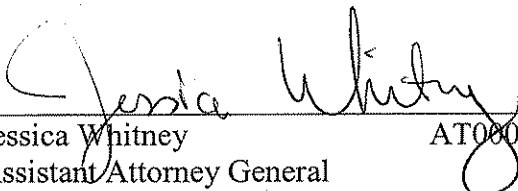
1. In order to take any further action deemed necessary to enforce this Judgment and to award the Attorney General judgment for any costs, including attorney's fees, it incurs in the event of noncompliance by Defendant.

2. In order to take further action for Defendant's (a) failure to disclose any material asset; (b) Defendant's material misrepresentation of the value of an asset; (c) or any other material misrepresentation or omission on Defendant's financial statement that conceals the existence of assets, including but not limited to claims involving fraudulent transfers or piercing the corporate veil. Plaintiff may request that the Consent Judgment be re-opened for the purpose of allowing Plaintiff to modify Defendant's monetary liability. Proceedings instituted under this provision would be in addition to and not in lieu of any other remedies as may be provided by law. A finding of material misrepresentation or omission as to the financial statement shall in no respect modify any other term or condition of this Judgment. In all other respects, this Judgment shall remain in full force and effect unless otherwise ordered by the Court.


IT IS SO ORDERED THIS 8<sup>th</sup> day of Nov., 2010.

  
JUDGE, FIFTH JUDICIAL DISTRICT

JOINTLY APPROVED FOR ENTRY AND SUBMITTED BY:

  
Jessica Whitney AT0002186  
Assistant Attorney General  
Consumer Protection Division

DATED: 11/5/10

  
William L. Brauch AT0001121  
Special Assistant Attorney General  
Director-Consumer Protection Division

DATED: 11/5/10

DEFENDANT DARAIN E. ATKINSON, Individually

  
DARAIN E. ATKINSON, Individually

DATED: 10-26-10

## FIRST AMENDED AND RESTATED SETTLEMENT AGREEMENT

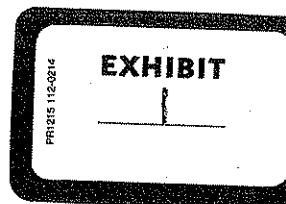
THIS FIRST AMENDED AND RESTATED SETTLEMENT AGREEMENT<sup>1</sup> is entered into on this 19th day of October, 2010 by and among DARAIN ATKINSON ("Darain") and MIA ATKINSON ("Mia"), husband and wife, who are both residents of the State of Missouri (Darain and Mia will sometimes collectively be referred to as the "Atkinsons"), US FIDELIS, INC., a Missouri corporation that is presently a debtor in possession under Chapter 11 of the U.S. Bankruptcy Code in Case No. 10-41902 ("USF") pending in the U.S. Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"); and the OFFICIAL UNSECURED CREDITORS' COMMITTEE OF US Fidelis, Inc. (the "Committee") (For ease of reference, USF and the Committee will sometimes be jointly referred to as the "Estate").

### Preliminary Statement

At all times relevant to this Settlement Agreement Darain was the President of USF, a member of USF's Board of Directors, and the owner of 50% of the issued and outstanding shares of stock in USF. The Committee has filed suit against Darain and Mia (among others) which litigation is pending in the Bankruptcy Court as Adversary Proceeding No. 10-4172 (the "Committee Litigation"). USF has filed suit against Darain and Mia (among others) which litigation is pending in the Bankruptcy Court as Adversary Proceeding No. 10-4225 (the "USF Litigation"). The Atkinsons, USF, and the Committee now wish to resolve the issues posed by the Committee Litigation, the USF Litigation, and other potential claims, all as is more particularly set forth in this Settlement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Estate and the Atkinsons hereby agree as follows:

<sup>1</sup> This First Amended and Restated Settlement Agreement supercedes that certain Settlement Agreement dated September 29, 2010 among the parties.





1. Transfer of Assets. At Closing (as hereafter defined) and subject to their rights in paragraph 16 of this Settlement Agreement, the Atkinsons will transfer to the Estate all of the Atkinsons' respective right, title and interest in and to all assets or property (the "Assets") owned by them in any capacity, including but not limited to individually, jointly, or in trust. The Atkinsons agree that this paragraph is intended to result in the transfer to the Estate of all Assets, known or unknown, disclosed or undisclosed, in which the Atkinsons have any legal or equitable interest whatsoever, including but not limited to real property, personal property, cash, bank accounts, brokerage accounts, contract rights, stocks, bonds, notes, instruments, claims, rights to receive payments or distributions or dividends, causes of action, or any other property right of value. For the avoidance of any doubt, all funds in the escrow account established by Order of the Bankruptcy Court dated April 23, 2010 in the Committee Litigation (the "GP Escrow Account") will be transferred to the Estate at Closing. To facilitate the transfer of the Assets, the Atkinsons will each execute and deliver at Closing a Limited Power of Attorney substantially in form attached to this Settlement Agreement as Exhibit A.

2. Payment to the Atkinsons. At Closing, from the Assets transfer by the Atkinsons, the Estate will transfer to Mia Atkinson the following assets (collectively, the "Settlement Assets"): (a) \$500,000 in cash (less the Moving Advance described in Paragraph 7), (b) jewelry and other household furnishings and clothing with an appraised liquidation value of no more than \$75,000 as established by an appraiser of the Estate's choosing; (c) two vehicles with a Kelly Blue Book trade-in value of no more than \$75,000 in the aggregate; and (d) bedroom furniture and toys for the Atkinsons' children that has a modest value.

3. Restrictions on Use of Settlement Assets. Upon payment of the Settlement Assets and subject to the continuance of the Living Expense Injunction described in paragraph 18, Mia

Atkinson may utilize the Settlement Assets as she sees fit (including purchasing any of the Assets transferred to the Estate upon terms otherwise acceptable to the Estate), provided, however, that Mia may never transfer any interest in any of the Settlement Assets to Darain, either directly or indirectly, as co-tenants, tenants by the entirety, or otherwise unless required by court order.

4. Additional Terms Regarding Transfer of Assets. Notwithstanding the foregoing, in lieu of accepting the transfer of a particular Asset(s), at the Estate's sole option, at Closing the Atkinsons will grant to the Estate a lien, security interest, or other similar encumbrance on such Asset(s) together with a non-recourse promissory note secured by such encumbrance. In addition, the Estate retains the right to refuse to accept the transfer of any Asset that it believes would be burdensome or of inconsequential value to the Estate by delivering written notice to the Atkinsons.

5. Asset Proceeds Account. At Closing, USF will establish and maintain a separate, segregated bank account at an authorized depository into which the proceeds of all of the Assets will be deposited (the "Asset Proceeds Account"). Except as expressly set forth in this Settlement Agreement, USF will pay from the Asset Proceeds Account all costs of maintaining, insuring or holding any of the Assets pending their sale (the "Holding Costs"). Upon entry of the Settlement Order (as defined below), the Atkinsons will have no interest in the Asset Proceeds Account except as expressly described in paragraph 16 of this Settlement Agreement.

6. Marketing and Sale of Assets. After Closing, all non-cash Assets (including any Assets in which the Estate holds only a lien, security interest, or other encumbrance) will be marketed for sale by the Estate or professionals retained by the Estate. Until such time as USF confirms a plan (the "Bankruptcy Plan"), the Assets may be sold pursuant to 11 U.S.C. § 363

upon such notice as may be required by the Bankruptcy Court. The Atkinsons will cooperate in all respects with the marketing and sale of the Assets, including but not limited to executing any necessary transaction documents and responding to any reasonable information requests.

7. Lakeview Property. On or before the later of (a) the Closing Date, or (b) November 15, 2010, the Atkinsons shall vacate the home at 5 Lakeview, Lake St. Louis, MO and remove all contents described in paragraph 2(b), (c), and (d) hereof. Upon the execution of this Agreement, Mia Atkinson will receive \$9,000 from the GP Escrow Account for moving and related expenses ("Moving Advance"). The Atkinsons shall execute and deliver to the Estate a lease agreement for their occupancy of the Lakeview Property.

8. Pigeon Court Property. Mia Atkinson's grandparents, at their election, may continue to occupy the home located at 215 Pigeon Court, Lake St. Louis, MO 63367 ("Pigeon Property") without paying rent so long as they (a) execute and deliver to the Estate a lease agreement that permits the Estate to terminate their occupancy upon sixty (60) days written notice, (b) perform and pay for routine cleaning and maintenance on the Pigeon Property and (c) pay all utilities associated with their continued occupancy of the Pigeon Property. At all times, Mia Atkinson's grandparents must (x) refrain from damaging or committing waste upon the Pigeon Property, (y) cooperate fully in all efforts to market the Pigeon Property for sale, and (z) refrain from creating or permitting to be created a lien against the Pigeon Property.

9. Financial Statement. The Atkinsons each separately warrant and represent to USF and to the Committee that Exhibit B to this Settlement Agreement is a full and complete statement of all of the assets that the Atkinsons own as of September 29, 2010, either jointly, individually, in trust, or in any other manner whatsoever (the "Financial Statement"). The Atkinsons each separately agree and acknowledge that USF and the Committee have each relied

on the completeness and accuracy of the Financial Statement in making their respective determinations to enter into this Settlement Agreement and that the Financial Statement is provided under penalty of perjury under 28 U.S.C. § 1746.

10. Asset Verification. On or before October 18, 2010, the Atkinsons will each submit to an oral examination or deposition under oath by one representative of USF and one representative of the Committee (the "Atkinsons Depositions") regarding the accuracy and completeness of the Financial Statement and the conduct of the Atkinsons' financial affairs from and since January 1, 2002 to the present (the "Relevant Period"). Upon request, the Atkinsons must also produce to the Estate any documents within their possession, custody, or control pertaining to their financial position or the conduct of their financial affairs during the Relevant Period. The Atkinsons will instruct all attorneys, financial advisors, accountants, or other professionals with whom they have in the past retained or consulted to cooperate fully with the Estate's efforts to verify the accuracy and completeness of the Financial Statement or any other issue regarding the conduct of the Atkinsons' financial affairs for the Relevant Period, and the Settlement Order will require any such attorney, financial advisor, accountant, or other professional to so cooperate.

11. Withdrawal of Settlement Motion. If the Estate becomes dissatisfied at any time prior to entry of the Settlement Order with the results of or the Atkinsons' cooperation with the asset verification procedures, the Estate may withdraw its Settlement Motion and proceed with the Committee Litigation, the USF Litigation, and the pursuit of other claims against the Atkinsons.

12. Consequences for Inaccurate or Incomplete Disclosure. If the Estate learns after entry of the Settlement Order that any of the Atkinsons' disclosures in the Financial Statement or

the Atkinson Depositions were materially inaccurate or incomplete (an "Inaccurate Disclosure"), it will provide a written notice to the Atkinsons of the alleged Inaccurate Disclosure (the "Notice of Alleged Inaccurate Disclosure"). If the Atkinsons are unable to explain the alleged Inaccurate Disclosure to the Estate's satisfaction within ten days after receipt of the Notice of Alleged Inaccurate Disclosure, the Estate may file a Notice of Inaccurate Disclosure with the Bankruptcy Court and the Atkinsons will have three business days thereafter to file an objection (the "Objection") to the Notice of Inaccurate Disclosure. If the Atkinsons do not timely file an Objection or if the Bankruptcy Court overrules the Objection, the Estate may then file the Consent Judgments (as hereafter defined) in the USF Litigation. Furthermore, in such event, any Releases to the Atkinsons under this Settlement Agreement or the Settlement Order will be deemed to be immediately rescinded.

13. Consent Judgments. Simultaneously upon the filing of the Settlement Motion, Darain Atkinson will execute and deliver to the Estate a Consent Judgment in the USF Litigation for \$50 million and Mia Atkinson will execute a Consent Judgment in the USF Litigation for \$650,000 (the "Consent Judgments"). The Estate will hold the Consent Judgments and will file the Consent Judgments upon the discovery of (a) any Inaccurate Disclosure and compliance with the above notice and objection procedures or (b) any violation of the injunction imposed on the Atkinsons in the Committee Litigation (the "Living Expense Injunction").

14. Attorney-in-Fact. Any undisclosed asset in which either or both of the Atkinsons has an interest on the date of the Settlement Order shall also be deemed an "Asset" that is transferred to the Estate. Darain and Mia Atkinson hereby appoint David A. Warfield as their limited attorney-in-fact with full authority to cause the transfer of any such undisclosed asset to

the Estate upon its discovery pursuant to the Limited Power of Attorney executed pursuant to section 1 of this Settlement Agreement.

15. Settlement Motion. Within five business days after execution of this Settlement Agreement, USF and the Committee will file a joint motion seeking approval of this Settlement Agreement under Bankruptcy Rule 9019 (the "Settlement Motion"). So long as the Estate is satisfied with the Atkinsons' cooperation and compliance with this Settlement Agreement and the Living Expense Injunction and no Inaccurate Disclosure has been discovered, the Estate will prosecute the Settlement Motion and will use its best efforts to obtain from the Bankruptcy Court an order in a form reasonably satisfactory to the Estate and to the Atkinsons approving the Settlement Motion (the "Settlement Order") which will contain a release (consistent with this Settlement Agreement) by the Estate of all claims against the Atkinsons (the "Release").

16. Confirmation of USF Plan. If the Settlement Order is entered, the Estate will in due course file and prosecute a plan of liquidation for USF (a "Plan") that will, *inter alia*, contain a procedure where creditors of USF that also assert a claim against one or both of the Atkinsons may choose to release such claims (such releases shall be referred to generically as "Third Party Releases"). If a Plan containing Third Party Releases is confirmed by March 31, 2011, the Atkinsons shall, in such event, be deemed to have relinquished all claims whatsoever to the funds in the Asset Proceeds Account. If a Plan containing Third Party Releases is not confirmed by March 31, 2011, (or such other date that the Atkinsons may agree upon or the Court may fix), then, the USF Litigation will be reopened and the Atkinsons will be free to claim entitlement to the funds then in the Asset Proceeds Account and the Assets that have not at that time been sold, provided, however that the Atkinsons will not, in such event, ever be entitled to recover (a) the first \$1 million deposited in the Asset Proceeds Account, or (b) any Holding Costs expended by

the Estate in connection with the Assets, or (c) any claims for damages or waste arising out of the Estate's ownership of the Assets after approval of the Settlement Order.

17. Mechanic's Lien Claimants. Creditors of the Atkinsons that have filed mechanic's liens against the Lakeview Property arising out of work performed on the construction or repair of the Lakeview Property ("Construction Claims") shall be permitted to file proofs of claim against the Debtor in the Bankruptcy Case and neither the Debtor nor the Committee shall object to such Construction Claims on the basis that the Debtor is not obligated contractually to pay Construction Claims. Nothing shall prohibit the Debtor, the Committee or any other party from objecting to Construction Claims on any other appropriate grounds. Creditors holding Construction Claims shall be given an opportunity to provide a Third Party Release to the Atkinsons in a Plan on the same terms as offered to all other creditors.

18. Litigation. Upon entry of the Settlement Order, the USF Litigation will be held in abeyance, and neither USF nor the Atkinsons shall take any action in connection with the USF Litigation unless (a) there is an Inaccurate Disclosure (and the lapse or passage of any applicable cure periods as set forth herein) at which time USF is authorized to file the Consent Judgments, or (b) the USF Litigation is reopened by the failure to confirm a Plan before the deadline established under this Settlement Agreement. The Committee will use its best efforts to obtain from the Bankruptcy Court an order extending the terms of all pending injunctions in the Committee Litigation (including but not limited to the Living Expense Injunction) through the earlier to occur of (a) confirmation of a Plan, or (b) March 31, 2011, provided, however that Mia Atkinson may expend up to \$16,000 from the Settlement Assets (over and above the monthly amount called for in the Living Expense Injunction) in connection with actual moving and housing expenses incurred in such period. If Mia Atkinson concludes that she must spend in

excess of \$16,000 for such moving and housing expenses, (x) she may move for modification of the Living Expense Injunction to allow for such additional expenditures, or (z) both Mia Atkinson and Darain Atkinsons may waive the benefits of the Living Expense Injunction by written notice to the Estate and spend the remaining Settlement Assets as she deems appropriate.

19. Attorneys' Fees. The Atkinsons will be entitled to retain counsel in connection with the Bankruptcy Case to implement the terms of the settlement, and such counsel may be compensated through and including entry of the Closing pursuant to the court order dated July 9, 2010 governing the payment of certain legal fees and costs.

20. Graves Bartle Marcus & Garrett, LLC. If the Settlement Order is entered and the Closing occurs, the Estate will not pursue any avoidance claims against the law firm of Graves Bartle Marcus & Garrett, LLC ("Graves Firm") for payment by USF of attorneys' fees in connection with the Graves Firm's representation of Darain Atkinson in criminal matters (the "Criminal Representation Fees"). Notwithstanding the foregoing, the Estate reserves its rights to sue the Graves Firm for the avoidance of any transfers from US Fidelis, Inc. to the Graves Firm for (a) payment of any amounts other than the Criminal Representation Fees, or (b) for the Criminal Representation Fees if the Estate learns of any Inaccurate Disclosure.

21. Closing. The Closing shall occur no later than ten business days after entry of the Settlement Order at such place and on such date and time as the parties may agree upon.

22. Miscellaneous. This Agreement may be executed in counterparts. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement will be prohibited by, or invalid under, applicable law, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of



this Agreement. This Agreement shall be binding upon and inure to the benefit of the Estate and the Atkinsons, and their respective successors and assigns. This Agreement encompasses the entire agreement of the parties, and supersedes all previous understandings and agreements between the parties, whether oral or written. Notices shall be given by the parties to their counsel of record by electronic mail and shall be deemed received on the day that they are sent.

US Fidelis, Inc.: [reggmann@lathropgage.com](mailto:reggmann@lathropgage.com) and [bfenimore@lathropgage.com](mailto:bfenimore@lathropgage.com)

Darain Atkinson: [nwp@goldsteinpressman.com](mailto:nwp@goldsteinpressman.com) and [kmk@goldsteinpressman.com](mailto:kmk@goldsteinpressman.com)

Mia Atkinson: [tdewoskin@dmfirm.com](mailto:tdewoskin@dmfirm.com)

Committee: [dwarfield@thompsoncoburn.com](mailto:dwarfield@thompsoncoburn.com) and [bhockett@thompsoncoburn.com](mailto:bhockett@thompsoncoburn.com)


23. Governing Law. This Settlement Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri without regard to conflict of law principles.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this First Amended and Restated  
Settlement Agreement as of the date and year first above written.

US FIDELIS, INC.

OFFICIAL UNSECURED CREDITORS'  
COMMITTEE OF US FIDELIS, INC.

By:   
\_\_\_\_\_  
Scott Eisenberg, Chief Restructuring Officer

By: \_\_\_\_\_  
David A. Warfield, Counsel

\_\_\_\_\_  
Darain Atkinson

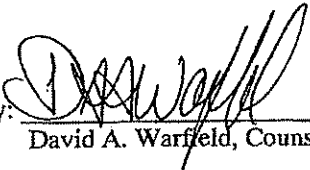
\_\_\_\_\_  
Mia Atkinson


IN WITNESS WHEREOF, the parties have executed this First Amended and Restated Settlement Agreement as of the date and year first above written.


US FIDELIS, INC.

OFFICIAL UNSECURED CREDITORS'  
COMMITTEE OF US FIDELIS, INC.

By: \_\_\_\_\_  
Scott Eisenberg, Chief Restructuring Officer

By:  \_\_\_\_\_  
David A. Warfield, Counsel

 \_\_\_\_\_  
Darain Atkinson

 \_\_\_\_\_  
Mia Atkinson

## Exhibit A

**DARAIN AND MIA ATKINSON  
POWER OF ATTORNEY**

THIS POWER OF ATTORNEY made this \_\_\_\_\_ day of October 2010 by **DARAIN ATKINSON and MIA ATKINSON**, husband and wife, who are residents of the State of Missouri ("the Atkinsons").

**WITNESSETH:**

WHEREAS, the Atkinsons entered into that certain Settlement Agreement dated September \_\_, 2010 (the "Settlement Agreement") by and among the Atkinsons, US Fidelis, Inc. ("USF"), a debtor in possession in proceedings before the U.S. Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"), and the Official Unsecured Creditors' Committee for US Fidelis, Inc. (the "Committee");

WHEREAS, the Settlement Agreement requires the Atkinsons to execute and deliver this Power of Attorney; and

WHEREAS, the Atkinsons wish to execute and deliver this Power of Attorney to facilitate approval of the Settlement Agreement by the Bankruptcy Court.


1. The Atkinsons hereby irrevocably constitute and appoint **DAVID A. WARFIELD**, counsel to the Committee, to be their true and lawful attorney-in-fact and in their name, place and stead to do all or any of the following acts, matters and things namely:-

- (a) to do all other acts and things as the said attorney should in his absolute and unfettered discretion deem necessary or advisable for the purpose of giving effect to all or any of the matters and transactions contemplated by the Settlement Agreement and (without prejudice to the generality of the foregoing) to make, sign, seal, deliver, execute and do all such deeds, instruments, agreements, applications, oaths, affidavits, declarations, confirmations, notices of assignment and otherwise and acknowledgments thereof, letters, certificates, protocols, guarantees, indemnities, undertakings, and any other documents whatsoever (whether of a like nature or not) (including any notarial acts) which may be necessary or advisable in carrying out the provisions of the Settlement Agreement, including executing documents needed to transfer title to any of the Assets (as defined in the Settlement Agreement) to the Estate (as defined in the Settlement Agreement) or to any third party; and
- (c) to nominate and appoint (whether under hand or seal) one or more person or persons as substitute or substitutes as attorney or attorneys for all or any of the purposes aforesaid.

2. This power of attorney shall be irrevocable until the confirmation of a Plan (as defined in

the Settlement Agreement), and shall be conclusive and binding upon the Atkinsons and no person or corporation having dealings with the said attorney or his substitute or substitutes under this Power of Attorney shall be under any obligation to make any enquiries as to whether or not this Power of Attorney has been revoked and all acts hereunder shall be valid and binding on the Atkinsons until express notice of its revocation be received by such person or corporation.


IN WITNESS WHEREOF the Atkinsons has executed this Deed the day and year first before written.


  
Darain Atkinson


  
Mia Atkinson


SUBSCRIBED AND SWORN to before me this  
29<sup>th</sup> day of ~~October~~, 2010.  
*September*

SUBSCRIBED AND SWORN to before me this  
29 day of ~~October~~, 2010.  
*September*

  
Notary Public

  
Notary Public

My commission expires  
  
(seal)  
LYNDA M. ROGERS  
My Commission Expires  
September 22, 2014  
St. Louis County  
Commission #10427679

My commission expires  
  
(seal)  
LYNDA M. ROGERS  
My Commission Expires  
September 22, 2014  
St. Louis County  
Commission #10427679

**CAYMAN ISLANDS**

The Registered Land Law (2004 Revision)  
The Registered Land Rules (2003 Revision)

**THIRD SCHEDULE****POWER OF ATTORNEY****REGISTRATION SECTION****BLOCK****PARCEL**

Rum Point

33E

64

XX We, Darain Atkinson and Miyong Kim Atkinson

HEREBY APPOINT David A. Warfield

of 145 Gray Avenue, St. Louis, Missouri (USA) 63119

to be my attorney and generally in relation to my interest in the land comprised in the above-mentioned title to do anything and everything that I myself could do, and for me and in my name to execute all such instruments and to do all such acts, matters and things as may be necessary or expedient for carrying out the powers hereby given.

(If the power is to be limited to particular acts only, delete everything after the word "attorney" and set out below what powers are to be conferred.)

Dated this

day of

October

2010

Signed by the Donor

in the presence of:-

**FOR OFFICIAL USE ONLY**

I, the Registrar of Lands in the Cayman Islands hereby certify that this document was received by me for registration on the..... day of ..... 201.....and that stamp duty assessed/adjudicated by me/Treasury at C.I.\$ .....and Land Registry fees at C.I.\$.....relating thereto have been paid.

REGISTERED this

day of

201

.....  
REGISTRAR OF LANDS  
CAYMAN ISLANDS

**CERTIFICATE OF IDENTIFICATION**

Name..... Darain Atkinson .....

I HEREBY CERTIFY that the above named Darain Atkinson.....appeared before me on the.....day  
of.....October.....2010.....and being identified by\* review of his Missouri driver's license.....  
(or being known to me) acknowledged the above signature or mark to be his/theirs and that he/they had freely and  
voluntarily executed this instrument and understood its contents.

.....  
Signature and designation of the person certifying

**CERTIFICATE OF IDENTIFICATION**

Name..... Miyong Kim Atkinson .....

I HEREBY CERTIFY that the above named Miyong Kim Atkinson.....appeared before me on the.....day  
of.....October.....2010.....and being identified by\* review of her Missouri driver's license.....  
(or being known to me) acknowledged the above signature or mark to be his/theirs and that he/they had freely and  
voluntarily executed this instrument and understood its contents.

.....  
Signature and designation of the person certifying

**CERTIFICATE OF IDENTIFICATION**

Name..... ..

I HEREBY CERTIFY that the above named .....appeared before me on the.....day  
of.....201.....and being identified by\* .....  
(or being known to me) acknowledged the above signature or mark to be his/theirs and that he/they had freely and  
voluntarily executed this instrument and understood its contents.

.....  
Signature and designation of the person certifying

**CERTIFICATE OF IDENTIFICATION**

Name..... ..

I HEREBY CERTIFY that the above named .....appeared before me on the.....day  
of.....201.....and being identified by\* .....  
(or being known to me) acknowledged the above signature or mark to be his/theirs and that he/they had freely and  
voluntarily executed this instrument and understood its contents.

.....  
Signature and designation of the person certifying

\*NOTE: Please ensure that the appropriate insertions and/or deletions are made so that the method of identification  
is clear.



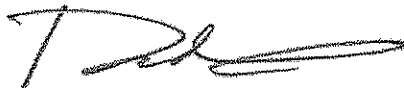
## Exhibit B

**ASSET DISCLOSURE OF  
DARAIN E. ATKINSON AND MIA K. ATKINSON**

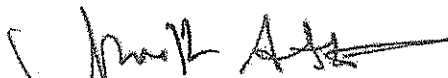
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<u>Exhibit</u>	<u>Description</u>
1	Real Estate
2	Automobiles & Boats
3	Business Interests
4	Cash; Bank, Brokerage, and Similar Accounts
5	Jewelry
6	Household Goods
7	Life Insurance
8	Interests in Trusts
9	Contract Rights and Claims

Come now DARAIN E. ATKINSON and MIA K. ATKINSON and state under penalty of perjury as set out at 28 U.S.C. § 1746 that this disclosure of assets owned by either of us, or in which either of us has any ownership interest, whether individually, jointly, or in trust, as of the date hereof, is a compilation of information from various sources, including Robert Fish, Christopher Riley, Tammy Graning, and Richard Gravino, as well as information accumulated by the Creditors' Committee. It is complete and accurate to the best of our knowledge, information, and belief.



DARAIN E. ATKINSON



MIA K. ATKINSON

STATE OF MISSOURI )

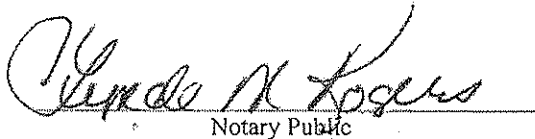
COUNTY OF ST. LOUIS )

On this 29<sup>th</sup> day of September, 2010, before me, the undersigned notary public, personally appeared DARAIN E. ATKINSON and MIA K. ATKINSON, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



LYNDA M. ROGERS  
My Commission Expires  
September 22, 2014  
St. Louis County  
Commission #10427679

  
Notary Public

My commission expires:

**EXHIBIT 1  
REAL ESTATE**

<b>Address</b>	<b>Location</b>	<b>Purchase Date</b>	<b>Purchase Price</b>
5 Lakeview Ct. (includes the former 15 Woodview Dr. which Debtors purchased on 1/13/2006 for \$575,000 and is now included in this parcel)	Lake St. Louis	Built by Atkinsons from 2006 to present	\$26,696,319.12 expended through 9/09
215 Pigeon Drive	Lake St. Louis	6/17/2008	330,000.00
414 Water Cay Rd.	Rum Point; British West Indies	3/9/2007	\$4,500,000 plus stamp duty (includes home and furnishings)

**EXHIBIT 2**  
**AUTOMOBILES & BOATS**

Year	Make/Model	S/N or VIN	Value Sep 2010
2005	Harris-Kayot Crowne Pontoon, 24'	HAMP99311405	\$15,090
2005	President Boat Trailer (for pontoon)	4JHBS22175D002565	\$2,900
2005	Suzuki Outboard Motor, 115HP (pontoon)	11501F510232	\$3,405
2005	Malibu Response LXI Ski Boat, 20'	MB2P2826E505	\$18,780
2005	Bear Boat Trailer (for ski boat)	41YAB272252011246	\$1,550
2005	<b>Sea Ray Sundancer, 50' (Isabelle)</b>	SERY1212J405	\$350,000
2006	<b>Boston Whaler 2700 Outrage</b>		\$62,350
2007	Mercedes Benz S550	WDDNG71X07A050588	\$42,925
2007	<b>Toyota Fortuna 4Runner (Cayman Car)</b>		\$22,425
2009	Cadillac Escalade ESV	1GYFK16259R110175	\$47,875
2009	Ford F-150 Supercrew Pickup	1FTPW14V59FA42974	\$26,350
2009	Seadoo RXT 255		\$9,320
2009	<b>Seabob (underwater propulsion unit)</b>		Unknown

\*Items in bold are located on the Cayman property

NADA "average retail" value used for watercraft; Kelly Blue Book "average trade-in" value for vehicles..

**EXHIBIT 3  
BUSINESS INTERESTS**

Entity Name	Ownership	Purpose	Remaining Assets
AGI Administration Services, Inc.(AGI")	Darain 50% Cory 50%	Insurance administration services	Owns 10% of Association for Service Contract Administrators, Inc.
Aria (SAC), Ltd.	Darain 100%	Reinsuring contracts	Interest in segregated accounts SA 030 and 031, from which claims are currently being paid.. Uncertain residual value
Association of Service Contract Administrators	90% USFAS 10% AGI	Insurance holding company	100% of US Fidelis Insurance Risk Retention Group, Inc.
Atkinson Construction, Inc.	Darain 50% Cory 50%	Built out USF building and Darain's parents' home	None
Atkinson Group of Companies, Inc.	Darain 50% Cory 50%	Holding Company	None
Atkinson Realty, LLC	Darain 50% Cory 50%	Owned real estate	10 acres across from GM plant in Wentzville
Atkinson Reinsurance, Ltd.	Darain 50% Cory 50%	Reinsuring contracts	Bank account from which claims are being administered. Account may have as much as \$4M in residual value when all contracts expire. Warrantech claims a 25% interest in residual values..
Atkinson II Reinsurance, Ltd.	Darain 50% Cory 50%	Reinsuring contracts	Account from which claims are being paid. Account may have as much as \$3M in residual value when all contracts expire.
Crescent Manufacturing, LLC	Darain 50% Cory 50%	Auto additive warranty sales	Account from which claims are currently being paid. Uncertain residual value
DC Atkinson Realty, LLC	Darain 50% Cory 50%	Owned real estate	Owns 145 acre farm in St. Charles County
DS Direct, Inc.	Darain 50% Cory 50%	Printing company	Various personal property
Elenkhos Group LLC	Darain 33% Others (unrelated) 67%	Investment company	Bank account with \$8,800 balance
Exodus, LLC	Darain 50% Cory 50%	Christian nightclub	Bank balance of \$9,676.22 as of May 31, 2010. Other restaurant related property
First Automotive Agents, Inc.		Reinsuring contracts	Unknown at this point
Huge, LLC	Darain 33% Cory 33% Eddie Struckmann 33%	Holding company for various Internet related businesses	None
US Fidelis Administration Services, Inc. ("USFAS")	Darain 50% Cory 50%	Used to sell in-house warranties and brokerage sales	None

Entity Name	Ownership	Purpose	Remaining Assets
US Fidelis, Inc. (f/k/a National Auto Warranty Services, Inc.; f/k/a Big Time Productions, Inc.)	Darain 50% Cory 50%	Marketed vehicle service contracts	TBD
US Fidelis Insurance Risk Retention Group, Inc.	The Association of Service Contract Administrators	Risk Retention Group	Recently dissolved in Montana. Approximately \$750,000 remains in a bank account.
Wentzville International Speedway, L.L.C.	Darain 50% Cory 50%	Formed to operate race track (never opened)	None
Zing Advisors, LLC	50% Darain Trust 50% Cory Trust	Consulting Company (never operated)	None

**EXHIBIT 4**  
**BANK ACCOUNTS**

Owner	Bank	Account #	Approx. Value
Darain & Mia Atkinson	U.S. Bank	REDACTED	\$8,279
Darain Atkinson	Commercial Bank	REDACTED	\$252
Darain Atkinson	Champion Bank	REDACTED	\$100
Darrain & Mia Atkinson	Frontenac Bank	REDACTED	\$838
Darrain & Mia Atkinson	UMB Bank	REDACTED	\$116
Ernest E. Atkinson Trust	U.S. Bank	REDACTED	\$4,984
Darain & Mia Atkinson (held in trust by Goldstein & Pressman, P.C. per 4/23/10 order	Various	REDACTED	Approximately \$1,218,000 as of September 20, 2010

Cash – Approximately \$1,000 total in Missouri and Caymans

No brokerage accounts, stocks, bonds or similar assets except as set forth in Exhibit 3

# EXHIBIT 5 JEWELRY

Purchase Date	Description	Vendor
2001	Inexpensive Rolex w/ inscription (gift to Darain from former partner)	
2002	Darain's wedding band -- plain gold	
2002	Original engagement ring -- 2 ct diamond solitaire on plain white gold band (stone now a pendant on a necklace)	
2002	Original wedding ring -- plain gold band with less than 1 ct diamond chips	
08/11/05	Ring Cigare Santos Dumont White Gold Falcon Eye	Cartier
09/28/05	Love Bracelet in White Gold - 17	Cartier
05/08/06	Panthere White Gold Ring with Diamonds	Cartier
07/20/06	Panthere Ring White Gold	Cartier
07/29/06	Laniere Bracelet White Gold Diamond	Cartier
12/18/06	Love Bracelet White Gold Diamond	Cartier
01/13/07	Yijing Ring White Gold Hawk Eye Quartz	Cartier
08/01/07	Love Ring White Gold Diamond	Cartier
08/15/07	Bracelet, Love White Gold, Ceramic Diamond Paved	Cartier
08/22/07	Love Bracelet White Gold Pave	Cartier
07/24/09	Trinity Classic 3 Gold Ring	Cartier
2008	Roberto Coin Necklace	Cayman Islands
	Rolex Daytona	Cayman Islands
	Rolex Cellini	Cayman Islands
	Men's BRM Chrono-Automatic Watch, Gator Strap	Neiman Marcus
02/07/08	33mm White Ceramic Chanel J12 Watch with Diamond Bezel, 112 round brilliant cut diamonds totaling 1.0 carats	Neiman Marcus
12/22/08	33mm Black Ceramic Chanel J12 Watch with Diamond Bezel, 112 round brilliant cut diamonds totaling 1.0 carats	Neiman Marcus
	Diamond and Sapphire Bracelet	Roemer's Jewelry
	Diamond Stud Earrings	Roemer's Jewelry
04/21/05	4 carat loose diamond	Saettele Jewelry
04/27/05	Platinum diamond eternity full circle ring by Tiffany with 19 round brilliant cut diamonds each weighing .08ct, 1.52 tcw, set with 1 round brilliant cut diamond (4ct)	
04/27/05	Ladies 14K white gold four-prong basket style setting, 2.02 round brilliant cut diamond, 14k white gold 16" pendant chain	Saettele Jewelry
12/01/04	Ladies steel and 18kt white gold Rolex wristwatch DateJust model with Jubilee style bracelet. Steel with 18 kt white gold fluted bezel, mother-of-pearl and diamond dial	Simons
12/01/05	Rolex steel and gold Submariner	Simons
12/01/06	Rolex 18kt white gold Pearlmaster with diamond mother-of-pearl dial and diamond bezel	Simons
02/13/04	Platinum Full Circle Diamond/Sapphire Ring, Size 4.5	Tiffany & Co.
03/10/05	Platinum shared-setting full circle band ring, 20 round brilliant cut diamonds, 1.60 tcw	Tiffany & Co.
03/10/05	Platinum shared-setting full circle band ring, 20 round brilliant cut diamonds, 1.60 tcw	Tiffany & Co.
12/09/05	Platinum and diamond octagonal bar pendant, Voile Collection, set with round brilliant cut diamonds, .78 tcw, 16" long	Tiffany & Co.



12/09/05	Platinum and diamond ring, Voile Collection, set with round brilliant cut diamonds, .54 tcw	Tiffany & Co.
12/26/05	Platinum and diamond long drop pendant suspending baguette cut diamond, .13ct on 17" chain	Tiffany & Co.
12/26/05	Platinum and diamond "Tiffany Jazz" long drop earrings, bezel set, w baguette cut diamonds, .26 tcw, 28 round brilliant cut diamonds, .84 tcw	Tiffany & Co.
02/02/06	Platinum shared-setting band ring with Full circle Diamonds, 3.00mm, Size 5	Tiffany & Co.
02/02/06	Platinum Victoria Line Sapphire & Diamond Necklace	Tiffany & Co.
02/10/09	Platinum Schlumberger 16 Stone Diamond 1.18tw Ring, Size 5.5	Tiffany & Co.
02/16/09	Platinum Etoile four-row band ring with 140 Round Diamond 3.3tw ring, Size 5.5	Tiffany & Co.
07/31/09	Platinum, sapphire, emerald and diamond band ring, milgrain border, bezel set with square-faceted sapphires (1 tcw), bezel set marquise-faceted emeralds (1.22 tcw), bead set with round brilliant cut diamonds (.98 tcw), size 5	Tiffany & Co.
02/26/07	Ladies Michael Beaudry, 32" platinum diamonds forever necklace, 120 round brilliant cut diamonds (8.85 tcw) bezel set throughout chain	Ylang-Ylang
02/26/07	Ladies Michael Beaudry, platinum and diamond cross style pendant, .36ct lily cut diamond bezel set center, four radiant cut diamonds (.66ct) bezel set in corners, 144 round brilliant cut diamonds set throughout	Ylang-Ylang
04/27/07	Michael Beaudry Ladies Ring	Ylang-Ylang
04/27/07	Michael Beaudry Men's Band	Ylang-Ylang
09/18/07	Heather Moore ID Tag	Ylang-Ylang
09/18/07	Heather Moore Gold Chain	Ylang-Ylang
08/01/08	Sevan Love Ring	Ylang-Ylang
2008	Sevan Necklace	Ylang-Ylang
2007	Men's Black Onyx Cartier Ring	

## **EXHIBIT 6 HOUSEHOLD GOODS**

### **FURNISHINGS LOCATED AT 5 LAKEVIEW COURT:**

**South Apartment:** 1 sectional couch, 1 coffee table, 1 king size bed and mattress, 2 night stands, 1 dresser

**North Apartment:** 1 queen bed, no mattress, 1 chair and ottoman in bedroom, 1 TV, 1 round kitchen table, 4 chairs, 2 bar chairs, 1 sectional, 1 coffee table, 1 night stand, 1 entertainment center

**Master Bedroom 1:** 1 crib, 3 chairs, 1 ottoman, 1 couch, 3 nightstands, 1 king size bed and mattress, 1 baby dresser, 1 TV

**Isabella's Room, Bedroom 2:** 1 four post full size bed, 2 nightstands, 1 shelf, 1 chair, 2 little play green chairs, 1 small kids table, toys, accessories

**Makena's Room, Bedroom 3:** 2 chairs, 2 nightstands, 1 kids full size bed and mattress, 1 shelf table, toys, accessories

**Bedroom 4 Baby's room:** 1 crib and mattress, 1 night stand, 1 dresser and changing table, 1 chair and ottoman

**Bedroom 5:** Vestibule marble table, 2 chairs, 1 sectional, 1 coffee table, 2 night stands, 1 baby bed, 1 queen 4 post bed with mattress, 1 long cushion at the end of the bed, 1 high night stand, many accessories, 1 TV

**Bedroom 6:** 1 couch, 1 coffee table, 1 queen bed and mattress, 1 dresser, 1 nightstand, 1 TV, Accessories

**Bedroom 7:** 1 couch, 1 chair, 1 queen bed and mattress, 1 dresser, 2 nightstands, 1 TV, Accessories

**Upstairs Laundry:** 1 washer and dryer

**Meditation Room:** 1 couch, 1 coffee table, 1 rug

**Gym:** 3 TVs, 1 treadmill, 1 abs machine, free weights dumbbells, 1 G5 machine, 1 bench, toys

**Art Room:** 1 coffee table, 1 TV

**Card Room:** 1 green chair, 1 big screen, 1 TV, toys

**Basement Lounge:** 5 chairs, 1 couch, 1 ottoman, 1 rug, 1 projector

**Billiards Room:** 1 chair, 1 couch, 1 coffee table, 1 TV, 5 speakers

**Guitar Room:** 2 chairs, 3 guitars, 2 kid's guitars, 1 drum set

**Bowling Room:** 2 coffee tables, 1 couch, 1 chair

**Basketball Court:** Storage for miscellaneous wood moldings and paint

**Downstairs Garage:** 1 kids table, 1 picture, some toys

**Kids Play Room:** 1 couch, 6 cubbies, 1 low art table, 1 nightstand, toys, 1 TV

**Master Laundry Room:** 1 washer and dryer

**Mia's Beauty Salon:** 2 chairs

**Mia's Closet:** 1 chaise lounge, 1 ottoman

**Library:** 5 chairs, 2 ottomans, 1 desk

**Grand Salon:** 2 couches, 1 ottoman, 1 piano

**Formal Dining Room:** 1 dining room table, 12 dining room chairs, 1 side chair

**Main Level Bar:** 2 bar chairs

**Kitchen:** 2 bar chairs, 4 kitchen chairs, 1 art table, 4 little kids' chairs (Note: the Atkinsons do not have any fine china, sterling silver, crystal and the like)

**Family Room:** 2 chairs, 1 couch, 1 rug, 1 couch, 1 TV, 1 nightstand, toys,

**Mail Room:** 1 chair

**Outside Deck, Off the Kitchen:** 1 couch, 12 chairs, 1 table, 1 grill, 1 low table, 1 ottoman

**Outside Play Area:** 1 trampoline, 1 kids play fort with swings, little plastic play sets

**Main Garage:** Darain's old furniture from prior to marriage, Lots of accessories from old house, toys, 5 mopeds, 2 adult bikes, 3 kids' bikes, 2 couches, 7 chairs, lots of old baby furniture from old houses, 1 TV, left over building materials

#### **FURNISHINGS LOCATED AT 215 PIGEON DRIVE:**

**Front Hall:** 1 table

**Dining Room:** 1 table, 6 chairs, 1 china cabinet

**Living Room:** 1 couch, 2 chairs, 2 end tables, 1 coffee table, 1 ottoman

**Sun Room:** 1 chair, 1 couch, 1 entertainment center, 1 end table, 1 ottoman

**Bedroom 1, Master:** 1 bed and mattress, 2 nightstands, 1 chair, 1 entertainment center, 1 treadmill, 1 dresser

**Bedroom 2, Guestroom:** 1 bed and mattress, 2 nightstands, 1 dresser

**NOTE:** All other furniture in the house Mia's grandparents brought with them from California

#### **FURNISHINGS LOCATED AT 414 WATER CAY ROAD, CAYMAN ISLANDS:**

**Master Bedroom:** Double bed with linen base, mattress and sheets, chaise lounge, large floor rug, reed floor mat, 2 bedside tables, 2 bedside table lamps, ceiling fan, 8 timber chairs, timber table, 2 folding timber sun loungers, 2 wicker armchairs, wicker forest, timer table, large solid timber cupboard, timber table with drawers, standard lamp, 3 reed window blinds, wicker fruit basket, metal floor standing picture within a timber frame

**Master Bedroom Seating Area:** Reed floor mat, 2 wicker chairs and a two-seat sofa and table, wicker chest, telephone, set of free-standing bamboo shelves, timber cabinet, ceramic lamp, wicker lamp

stand/dresser, built-in kitchenette shelves and base cabinets, stainless steel kettle, small television, refrigerator, timber venetian window blinds

**Master Bedroom Bathroom Suite:** Timber framed wall-mounted mirror, built-in base unit cabinets with wicker doors, 8 wicker storage baskets, towels and toiletries, floor rug, metal chair, towel racks, shower fittings, 2 timber ceiling fans

**Toilet:** Wall-mounted picture, timber Venetian window blind, timber wall ornament

**Dressing Area 1:** Timber dressing table, metal shelves, Aiwa stereo, CD player and amp, 3 rolled-up floor mats, wicker laundry basket

**Dressing Area 2:** Built-in wall safe, floor mat, chair, 10 wicker baskets, metal shelves, wall-mounted mirror

**Bedroom 2:** Fabric-covered chaise lounge with cushions, double bed with mattress, linen and cushions, 2 timber bedside tables (bowls resting on metal stands), 2 wall-mounted bedside lights, wall-mounted timber-carved ornament, ceiling fan, 2 wall-mounted pictures, rattan floor rug, 2 small coffee tables, 2 folding bamboo deck chairs, timber desk and folding chair, timber framed wicker chair, small table lamp, low seat, roll-up reed window blind

**Screened Porch, Accessed Off Bedroom 2:** 3 bamboo tables with stone tops, 2 earthenware planters, ceiling fans

**Upper Floor, Rear Terrace:** Timber table with stone top

**Office:** 3 drawer desk, wooden swivel chair, chaise lounge, timber phone table, wooden model boat, timber/wicker rocking chair, wooden table, built-in shelves, 3 wall-mounted carved timber ornaments, wicker waste basket, telephone, ceiling fan

**Stairs Landing:** Large metal chandelier light fitting, 2 floor-standing bamboo candle holders

**Entrance Hallway:** 2 additional wall-mounted pictures, 2 umbrella stands, wooden bowl, 2 floor mats, ceramic pelican ornament

**Under Stairs Closet:** 4 wooden folding chairs, 1 metal folding chair, mop and bucket, vacuum cleaner, shelves

**Bedroom 3:** 2 single beds and linen, swivel armchair, wicker mat, small JVC television, floor lamp, small table lamp, timber framed mirror, wicker roller blind, wicker waste basket, 2 wall-mounted pictures, ceiling fan, 2 bamboo and wicker bedside cabinets, timber and wicker chair, rubber-covered metal shelves, 2 wicker baskets and linen, 1 further basket

**Bedroom 3 En Suite Shower Room:** Stone-topped timber and wicker vanity unit, timber framed mirror, 2 mats and towels, shower curtains, glass ceiling light shade

**Bedroom 4:** 2 single beds with linen, bamboo rug, 2 rattan/woven linen baskets, 2 wood/rattan bed end seats, 2 chairs and table, curtains and wicker roller blinds, ceiling fan, built-in cupboard with metal shelves, 2 baskets, towels, wall mirror, waste basket

**Bedroom 4 En Suite Bathroom:** Shower curtains, 2 rugs, toilet roll holder and towel rail, timber framed mirror, built-in Corian-topped timber and wicker vanity unit

**Lounge:** Large timber coffee table, 2 sofas with cushions, 4 bamboo stools, 2 folding director chairs/stools, timber bench, 2 low stools/coffee tables, table with a bamboo lamp, stone lamp, large mirror in carved timber frame, 2 ceiling fans, 2 bamboo tables, wicker basket, 2 timber and rattan armchairs, bamboo standard lamp, 4 chairs and low tables, table, roller blinds

**Kitchen:** 8 cushioned timber chairs, carved wood wall feature, various kitchen utensils, large built-in refrigerator/freezer with icemaker, built-in Profile Performance microwave/convection oven, toaster, GE Monogram dishwasher, built-in white Thermador oven and hob, 3 stainless steel sinks, mixer tap and garbage disposal unit, wicker window blinds, drinks blender, coffee machine, cocktail shaker, plates and general crockery, glasses and other drinking utensils, cutlery, GE Monogram wine chiller, ceiling fan, U-Line icemaker

**Snug:** Double sofa, footrest, rattan rug, 3 coffee tables, 2 rattan lamps, ceiling fans, large wooden bookshelves/TV stand with cupboards, 2 wall pictures, large Sony TV, Sony/Aiwa stereo

**Half Bathroom:** Metal-framed mirror, 1 wall-mounted picture, towel rail and toilet roll holder, waste bin, tissue box cover, 2 wall lights, glass ceiling light

**Airing Cupboard:** shelves, towels

**Laundry Room:** 12 wicker baskets, Gibson washing machine, Gibson dryer, built-in ironing board, iron, ceiling fan, stainless steel sink, built-in wall and base units

**Gymnasium:** Cybex exercise bike, Cybex running machine, ceiling-mounted TV, Precor strength trainer, ceiling fan, wicker stool, built-in cupboard and shelves, small JVC stereo

**Garage:** 2 canoes, 3 bicycles, ladder, paint, garden implements

**NOTE:** All of the above came with the house. Items bought after property purchase include: 2 baby cribs, lots of toys, 1 play set, 1 trampoline, 1 grill, 2 TVs with Bose lifestyle stereos, stove, Subzero refrigerator, microwave, dishwasher, icemaker, beverage refrigerator, 1 rug in media room, 2 turtle shells, accessories

**NOTE:** This Cayman list was compiled from memory

**EXHIBIT 7  
LIFE INSURANCE**

Policy Date	Company	Policy #	Owner	Insured	Death Benefit	Beneficiary	Loan Balance And Accrued Interest	Net CSV
12/24/08	MetLife	1Y500091	D & M Atkinson	D Atkinson	\$58M	Mia	\$2,829,075.35	\$231,004.98
2/4/09	MetLife	1Y500119	D & M Atkinson	D Atkinson	\$12M	Mia	\$311,355.46	\$201,321.28

We have tried diligently to get information for all of the other policies which once were in force, but the only information we've received thus far is that they have all lapsed.

These policies were a form of insurance product called COLI (Company Owned Life Insurance) by MetLife, but these policies were never owned by the company. They were originally owned by Cory Atkinson insuring Darain's life as part of a shareholder agreement and Darain owned similar policies insuring Cory's life (MetLife Policies #1Y500092 and #1Y500120). Ownership of the policies was swapped December of 2009, so that each wife now is the beneficiary of her husband's policy.

**EXHIBIT 8**  
**INTERESTS IN TRUSTS**

In 2009, a beneficiary controlled trust was established that was known as the "Ernest Atkinson Trust for the Family of Darin (the "Trust"). The beneficiaries of the Trust were Darain, Mia and their family. Darain loaned \$500,000 to the Trust so that it could purchase 520,834 shares of TravelSuite, Inc. (the "Stock"). Efforts to sell the Stock but have been unsuccessful.

Another trust was created, denominated the Mia Kim Atkinson 2009 Irrevocable Trust, which was meant to be an Irrevocable Life Insurance Trust. Although an initial premium was paid for the life insurance policy, it lapsed in June 2010 for failure to make the next premium payment.

**EXHIBIT 9**  
**CONTRACT RIGHTS AND CLAIMS; MISCELLANEOUS**

<b>Date</b>	<b>Description</b>	<b>Amount</b>
5/15/2009	Loan to E. Atkinson Trust	\$500,000.00
3/10/2010	Retainer trust deposit with Norman C. Witte in Mich – Bruno suit.-amount remaining	\$8,439.81
N/A	Mural for theatre room – completed, but not installed; \$25,000 remains due	\$50,00.00
N/A	Fabric being held by Diane Breckenridge	\$2,500.00